

**Annual Report
2009-2010**



SHAH FOODS LIMITED

An ISO : 22000 Certified Company



Regd. Office :

Block No. 453/1, Kalol-Mehsana Toll Road, Chhatral-382729, Sub-Dist. Kalol, Dist. Gandhinagar.
Phone: 2764-233931/932

BOARD OF DIRECTORS

MR. PRADIP P. SHAH	Chairman
MR. JANAK P. SHAH	Vice-Chairman
MR. VIRENDRA P. SHAH	Director
MR. SUSHIL P. SHAH	Director
MR. NIRAV J. SHAH	Director
MR. SHRICHAND R. KAHAR	Director Operations

AUDITORS

DINESH R. SHAH & CO.
Chartered Accountants

BANKERS

BANK OF BARODA
HDFC BANK LTD.

REGISTERED OFFICE & WORKS

CHHATRAL
KALOL-MEHSANA HIGHWAY
TALUKA KALOL, DISTRICT GANDHINAGAR
GUJARAT - 382 729.

SHAH FOODS LTD.

NOTICE

NOTICE is hereby given that the Annual General Meeting of SHAH FOODS LIMITED will be held at the Registered Office of the company at Chhatral, Kalol-Mehsana Highway Road, Tal. Kalol, Dist. Gandhinagar, Gujarat - 382 729 on Saturday, September 18, 2010 at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31-3-2010, the Profit & Loss Account for the year ended at that date and the Reports of the Directors and Auditors thereon.
2. To declared dividend @ Re.1/- (net of tax) per equity share.
3. To appoint a Director in place of Mr. Virendra P. Shah who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to the provisions of the Articles of Association of the Company and Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to such consents, approvals and permissions as may be needed , Mr. Janak P. Shah be and is hereby appointed as Whole-time Director of the Company to be designated as Vice Chairman not liable to retire by rotation for a period of five years with effect from 1-10-2009 at a remuneration and on the terms and conditions set out below:

a) Salary (Basic) per month Rs.36000/- in a time scale of Rs.36000/--Rs.3000/--Rs.51000/-.

b) Allowances/perquisites :

(i) Leave Travel Allowance for self and family once a year in accordance with the rules of the Company in this regard

(ii) Gas/Electricity/Water and furnishings at his residence, the expenses of which will be evaluated as per Income Tax Rules, 1962, and will be subject to ceiling of 10% of his salary

(iii) Medical reimbursement expenditure incurred by the Managing Director and his family, subject to a ceiling of one month's basic salary in a year or three months basic salary over a period of three years.

(iv) Club Fees, actual fees for a maximum of two clubs. Admission fee and life membership fee shall not be paid by the Company.

(v) Hospitalisation Insurance Scheme as per the scheme of the Company provided the premium amount does not exceed a sum of Rs.4000/- per annum.

(vi) Contribution to Provident Fund and Superannuation Fund/Annuity Fund will be as per Scheme of the Company.

(vii) Gratuity payable shall be at a rate not exceeding 15 days salary for each completed year of service or part thereof in excess of six months as per Scheme of the Company.

(viii) Encashment of unavailed leave at the end of the tenure or at specified intervals will be as per Scheme of the Company.

(ix) Provision of car with driver for use in relation to Company's business and telephone at residence will not be considered as perquisites.

(x) Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

MINIMUM REMUNERATION: The remuneration specified at above should continue to be paid to

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Mr. Janak P. Shah as and by way of Minimum Remuneration notwithstanding the loss of inadequacy of profit during the relevant period of tenure of his office.

"Resolved further that the Board of Directors be and is hereby authorised to take all necessary or desirable steps for the purpose of affecting this appointment and matters incidental thereto"

Place : Ahmedabad
Dated : 29-07-2010

By Order of the Board
Pradip P. Shah
Chairman

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Share transfer documents and all correspondence relating thereto, should be addressed to registrar and Share Transfer Agents of the Company.
M/S. Bigshare Services Pvt. Ltd.,
E/2, Ansa Industrial Estate, Sakivihar Road, Saki-Naka, Andheri (East), Mumbai-400 072.
Tel:91-22-28470652/40430200/28470653 Fax:91-22-28475207 E-mail:marketing@bigshareonline.com
4. Dividend if declared, will be despatched on or after 24-9-2010 to those members whose names appear on register of members as on 11-9-2010
5. Shareholders/proxies are requested to produce the attendance slip at the entrance of the Meeting Hall.
6. The Register of Members and Transfer Books of the Company will remain closed from Saturday, September 11, 2010 to Saturday, September 18, 2010, both days inclusive.
7. Shareholders desiring any information as regards the Accounts are requested to write to the Company at least five days in advance of the annual general meeting to enable the management to keep the information ready at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956 ITEM 5:

In the Annual general Meeting held on 21-8-04 Mr. Janak P. Shah was appointed as Whole Time Director of the Company to hold office for a period of five years with effect from 1-10-04. The Board re-appointed Mr. Janak P. Shah as Whole Time Director (designated as Vice Chairman) of the Company for a period of five years w.e.f. 1-10-09 on the remuneration incorporated in the text of the resolution.

The appointment and remuneration of the Whole Time Director is required to be approved by the shareholders in the first General meeting after his appointment and accordingly this resolution is being placed before the shareholders of the Company..

The agreement entered into between the Company and appointee is available for inspection at the registered office of the Company during business hours on any working day except Sunday between 10.00am and 12.00 noon upto and including date of annual general meeting.

Your Directors consider the said resolution in the interest of the Company and therefore recommends the same for your approval.

None of the directors are in any way concerned or interested in the passing of the resolution except Mr. Janak P. Shah being an appointee and Mr. Pradip Shah, Mr. Sushil Shah and Mr. Nirav Shah being relatives of an appointee.

Place : Ahmedabad
Dated : 29-07-2010

By Order of the Board
Pradip P. Shah
Chairman

SHAH FOODS LTD.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors submit herewith the Annual Report together with audited statement of accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

	F.Y. 2009-2010	F.Y.2008-2009
	(Rs. in Lacs)	(Rs. in Lacs)
INCOME FROM OPERATIONS	203.98	241.70
Add : Gain/-Loss From Trading	15.54	-8.57
Add : Other Income	<u>2.84</u>	<u>4.72</u>
Total Income	222.36	237.85
Less : Expenditures	182.02	212.28
Less : Finance Charges	0.18	0.55
Less : Depreciation	<u>6.70</u>	<u>6.56</u>
PROFIT FOR THE YEAR BEFORE TAX	33.46	18.46
Less : Provision for Taxation	7.13	7.50
Less : Provision for FBT	0.00	0.31
Less : Provision for Deferred Tax	<u>0.01</u>	<u>1.07</u>
Net Surplus for the year	26.32	9.58
Add: B/F from P & L A/c	<u>27.08</u>	<u>27.49</u>
Balance for Appropriation	53.40	37.07
Less : Proposed Dividend	5.97	5.97
Less : Tax on Dividend	0.93	1.02
Less : Transfer to General Reserves	<u>3.00</u>	<u>3.00</u>
Net Balance c/f to Balance Sheet	43.50	27.08

DIVIDEND

The Board recommends a dividend of 10% (Re. 1 per share; 2008-2009; Re. 1 Per Share) which will absorb Rs. 6.90 lacs together with tax on Dividend of Rs. 0.93 Lacs. The Board has transferred Rs. 3.00 lacs to the General Reserves and proposed to carry forward balance in profit and loss account of Rs. 43.50 Lacs.

PERFORMANCE OF THE COMPANY

The company produced 4659 metric tonnes of biscuits as against 4,925 metric tonnes in the previous year, for our principal customer. However, profits from manufacturing operations are not satisfactory and we continue to raise this issue with Britannia. We continue to face the situation of inadequate orders on us from Britannia relative to our capacity, unevenness of order book month by month, as well as sudden reduction in ordered quantity.

OUTLOOK

The management continues to request Britannia to increase production volume of the current varieties. They have also loaded us with Good Day butter and Cashew varieties from the first quarter of this year. Your company is also examining opportunities for diversification with urgency.

AUDITORS

The statutory Auditors M/s Dinesh R. Shah & Co. Chartered Accountants, Ahmedabad retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

ISO: 22000-2005 CERTIFICATE AND PRIZE FROM BRITANNIA

Your company has obtained ISO: 22000-2005 certificate for food safety by TUV-SUD Management Services GmbH - trading as TUV South Asia Private Ltd.- valid up to March, 2013

We are pleased to inform you that your company has been selected as best franchisee for having Zero Foreign Body Contamination (FBC) during financial year 2006-07, 2007-08, 2008-09 and again in financial year 2009-10, and was awarded Rs. 50,000/- cash prize by our principal customer Britannia Industries Ltd. for the last three years.

CORPORATE GOVERNANCE

The Company has complied with the provision of listing agreement. A compliance certificate confirming compliance with the company laws is annexed and forms a part of the Director's Report.

The company has put up email ID for investor grievances. Shareholders may lodge their complaint or grievances to Compliance Officer for quick response on following email ID grievancescell@shahfoods.com

The Registrars and Share Transfer Agents of the company are M/S Bigshare Servicex Pvt. Ltd., E/2, Ansa Industrial Estate, Sakivihar Road, Saki-Naka, Andheri (East), Mumbai - 400 072.

Of the subscribed capital of company of 5,97,500 shares, 4,55,185 shares have been dematerialized upto March 31, 2010. Shareholders are requested to send their physical shares for dematerialization through their depository participants. The company's ISIN No. is INE 455D01012.

DIRECTORS

Mr. Virendra P. Shah retires by rotation and, being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 2000, the Directors state as under.

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures:
2. That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the

SHAH FOODS LTD.

state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period;

3. That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY AND ABSORPTION AND FOREIGN EXCHANGE EARNINGS

As reported last year, the management took steps to improve fuel efficiency and energy conservation in this expansion and modernization programme.

1. Secured piped natural gas connection and switched over to gas as fuel for the oven from liquid fuel.
2. Replaced tube light chokes with electronic ballast to save electric power. Provided mirror-optic light fixtures with electronic ballast in newly built-up factory building. Also provided energy-efficient Super Saver Meta-Halide light fixtures in the factory premises.
3. Provided 80 KVAR capacitor bank with auto power factor control panel to improve power factor & reduce energy consumption.
4. Provided natural roof extraction ventilators in shop-floor & godown area for natural air circulation on shop floor and translucent fiberglass roofing sheets for providing natural day light.
5. Provided energy efficient man coolers & desert coolers for improving air circulation in the factory.
6. Replaced A.C. servo drives with Variable Frequency Drives.

As required in Section 217 (1) (e) of the Companies Act, 1956 details regarding conservation of energy, etc. are given hereunder :

FORM-A

(A) PARTICULARS :

Power and Fuel Consumption		2009-2010	2008-2009
1. Electricity Purchased :	Units	2,76,690	3,51,429
	Amount (Rs. Lacs)	16.15	20.65
	Average Rate/Unit Rs.	5.84	5.88
2. LDO/ HSD :	K. Litres FY 09-10 (01-4-08 to 30-11-08)	0.00	202.92
	Amount (Rs. Lacs)	0.00	73.85
	Average Rate/K.L. Rs.	0.00	36,394.19
3. GAS	SCM FY 09-10 (01-12-08 to 31-03-09)	3,14,373.45	81,122.30
	Amount (Rs. Lacs)	53.97	15.28
	Average rate/SCM Rs.	17.17	18.84

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(B) CONSUMPTION PER UNIT OF PRODUCTION OF BISCUITS :

1. Electricity (KWH/T)	59.39	71.36
2. LDO/HSD - (KL/T) 01-04-08 to 30-11-08	0.00	0.0540
3. GAS (SCM/T) 01-12-08 to 31-03-09	67.477	69.693

PARTICULARS OF EMPLOYEES :

There is no employee drawing remuneration in excess of Rs.24,00,000/- per annum or Rs. 2,00,000/- per month or above whose particulars are required to be annexed to the Director's Report under Section 217(2A) of the Companies Act, 1956.

DEPOSITS

The company has not accepted deposits from the public under section 58A of the Companies Act, 1956.

INSURANCE

All the fixed assets and stocks of the company are adequately insured.

APPRECIATION

Your directors place on record appreciation of services rendered to the company by employees, customers and suppliers as well as our bankers and Government authorities.

For and on behalf of the Directors

Place : Ahmedabad
Date : 29-07-2010

Pradip P. SHAH
Chairman

SHAH FOODS LTD.

COMPLIANCE CERTIFICATE

To

The Members of Shah Foods Ltd.

I have examined the registers, records, books and papers of M/S. Shah Foods Limited as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company and its officers and agents. I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Gujarat
3. The Company being Public Limited Company, has the minimum prescribed paid-up capital
4. The Board of Directors duly met 5 (Five) times on 27-06-2009, 29-07-2009, 30-9-2010, 28-10-2009 and 29-1-2010 in respect of which meeting notices were sent and minutes was properly recorded and signed including the circular, resolutions passed, in the Minutes Book maintained for the purpose.
5. The Company has closed its Register of Members 12-9-09 to 19-9-09.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 19-09-2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No Extra Ordinary General meeting was held during the financial year.
8. The Company has not advanced any loan to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company has not entered into any transactions with the parties mentioned in the Register maintained under section 301, and has maintained the Register.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government, as the case may be.
12. The Company has not issued any duplicate certificates during the financial year.
13. The Company has
 - (i) not allotted any securities during the year
 - (ii) deposited dividend amount in a separate Bank account
 - (iii) posted warrants to member of the company within period prescribed
 - (iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. There was no appointment of alternate / additional directors during the financial year.
15. Company has appointed Managing/Whole-Time Director during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar of Companies and/or such other authorities prescribed under the various provisions of the Act.

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18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus share pending registration of transfer of shares.
23. The Company has not accepted/invited deposits during the financial year.
24. The Company has not made any borrowings during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of the company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notice received by the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to the provisions of Provident Fund Act.

Place : Ahmedabad
Date : 29-07-2010

PINAKIN SHAH & CO.
C.P.No./F.C.S. No. 2932/2562

SHAH FOODS LTD.

ANNEXURE A

REGISTERS AS MAINTAINED BY THE COMPANY:

Registers as maintained by the Company

1. Register of Members u/s 150.
2. Register of Equity Share transfers.
2. Register of Directors share holding u/s 307
4. Register of Contracts u/s 301.
5. Minutes Book of the Board Meetings and General Meetings.
6. Register of Directorship held in other companies.
7. Register of Investments.
8. Books of accounts & other records u/s 209.
9. Register of Directors, Managing Director, Manager & Secretary u/s 303.

ANNEXURE B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year 2008-09

DOCUMENT FILED	DUE DATE
Form 23	14-5-09
Form 66	30-9-09
Form 23 AC/ACA	7-10-09
Form 20B	9-10-09
Form 23	11-11-09
Form 25C	11-11-09
Form 23	7-12-09
Form 25C	7-12-09

Place : Ahmedabad

Date : 29-07-2010

PINAKIN SHAH & CO
C.P. No. /F.C.S.No.: 2932/2562

AUDITORS' REPORT

To,
The Members of SHAH FOODS LTD.

We have audited the attached Balance Sheet of **M/s. SHAH FOODS LIMITED, Ahmedabad** as on 31st March, 2010 and also the Profit and Loss Account for the year ended on that date annexed there to. These financial statements are the responsibilities of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit.

- 1) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain a reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures made in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- (2) As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (3) Further to our comments in the Annexure referred to above, we report that:
 - 1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 2 In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - 3 The said Balance Sheet and Profit and Loss account dealt with by the report are in agreement with the books of accounts.
 - 4 In our opinion, the Balance Sheet and the Profit & Loss Account dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - 5 On the basis of written representation received from the directors as on 31-3-2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31-3-2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - 6 In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a. In the case of the balance sheet, of the state of affairs of Shah Foods Limited as at 31st March, 2010;
AND
 - b. In the case of Profit and Loss Account, of the Loss for the year ended on that date.

PLACE : AHMEDABAD
DATED : 29-07-2010

FOR **DINESH R. SHAH & Co.**
CHARTERED ACCOUNTANTS

Hiren D. Shah
(PARTNER)
MEMBERSHIP NO: 47928

SHAH FOODS LTD.

Annexure referred to in paragraph [2] of our report of even date

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1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the management during the year and the procedures for verification are reasonable.
 - c) There was no disposal of fixed assets during the year.
 2.
 - a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
 3.
 - a) The company has not granted any loans during the year.
 - b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
 - c) The loans granted are re-payable on demand and the payment of interest has been regular.
 - d) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - e) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
 4.
 - a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
 - b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.
 5. The Company has not accepted any deposits from the public during the year.
 6. In our opinion, the Company has an internal audit system commensurate with the size and nature of business.
 7. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
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8. a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess have been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues that became payable.
- c) According to the record of the Company, there are no dues outstanding of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess on account of any dispute.
9. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders.
10. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
11. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
12. In our opinion the Company is dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) is applicable to the Company.
13. According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
14. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-terms basis have been used for long-term investment.
15. The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
16. The Company did not have any outstanding debentures during the year.
17. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

PLACE : AHMEDABAD
DATED : 29-7-2010

FOR **DINESH R. SHAH & Co.**
CHARTERED ACCOUNTANTS.

Hiren D. Shah
(PARTNER)
MEMBERSHIP NO: 47928

SHAH FOODS LTD.**BALANCE SHEET AS ON 31ST MARCH 2010**

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	1.1	5,975,000	5,975,000
RESERVES & SURPLUS	1.2	<u>6,184,699</u>	<u>4,242,350</u>
		12,159,699	10,217,350
SECURED LOAN			
(SECURED AGAINST FIXED DEPOSIT)			
DEFERRED TAX LIABILITY-NET		<u>627,557</u>	<u>626,469</u>
		<u>12,787,256</u>	<u>10,843,819</u>
APPLICATION OF FUNDS			
FIXED ASSETS	1.3	10,542,612	10,325,617
LESS : DEPRECIATION		<u>4,352,432</u>	<u>3,682,577</u>
		6,190,180	6,643,040
INVESTMENT-HSBC M.F.		500,000	500,000
CURRENT ASSETS	1.4	47,365,184	4,683,878
LOANS & ADVANCES	1.5	<u>2,109,369</u>	<u>2,016,640</u>
		9,474,553	6,700,518
LESS:			
CURRENT LIABILITIES & PROVISIONS	1.6	<u>3,377,477</u>	<u>2,999,740</u>
		6,097,076	3,700,778
NOTES ON ACCOUNT & ACCOUNTING POLICIES	3		
		<u>12,787,256</u>	<u>10,843,818</u>

As per our audit report attached
FOR DINESH R. SHAH & CO.
CHARTERED ACCOUNTANTS

HIREN D. SHAH
PARTNER
Ahmedabad
Date : 29-07-2010

By Order of the Board

PRADIP P. SHAH - Chairman
JANAK P. SHAH - Vice Chairman

Ahmedabad
Date : 29-07-2010

ANNUAL REPORT 2009-2010**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

	SCHEDULE	2009-2010 Rs.	2008-2009 Rs.
INCOME			
JOB CHARGES - NET		20,398,194	24,169,566
OTHER INCOME	2.1	284,360	472,552
PROFIT/(LOSS) FROM TRADING ACTIVITIES	2.2	1,554,455	(856,743)
		<u>23,237,009</u>	<u>23,785,375</u>
EXPENDITURE			
MANUFACTURING COST	2.3	13,984,900	17,521,625
EMPLOYEES' REMUNERATION & BENEFITS	2.4	3,274,152	2,947,012
OFFICE & ADMINISTRATIVE EXP.	2.5	943,359	759,584
INTEREST & FINANCIAL CHARGES	2.6	18,245	54,636
DEPRECIATION	1.3	669,856	656,926
		<u>18,890,512</u>	<u>21,939,783</u>
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		3,346,497	1,845,592
LESS : PROVISION/ADDED BACK FOR TAXATION OF PREVIOUS YEAR-FBT + IT		(320,822)	(109,910)
PROVISION FOR TAXATION FOR CURRENT YEAR		1,034,068	860,000
PROVISION FOR TAXATION FOR FBT		-	31,016
PROVISION/ADDED BACK FOR DEFERRED TAX		1,088	106,611
PROFIT/(LOSS) FOR THE YEAR /BEFOR TAX		2,632,164	957,875
PROFIT/(LOSS) B/F FROM THE PREVIOUS YEAR		2,708,094	2,749,264
PROFIT AVAILABLE FOR APPROPRIATION		5,340,257	3,707,140
APPROPRIATION			
PROPOSED DIVIDEND		597,500	597,500
TAX ON DIVIDEND		92,314	101,546
TRANSFERRED TO GENERAL RESERVE		300,000	300,000
BALANCE C/F TO BALANCE SHEET		<u>4,350,443</u>	<u>2,708,094</u>
NOTES ON ACCOUNTS & ACCOUNTING POLICIES	3		

As per our audit report attached
FOR DINESH R. SHAH & CO.
CHARTERED ACCOUNTANTS

HIREN D. SHAH
PARTNER
Ahmedabad
Date : 29-07-2010

By Order of the Board

PRADIP P. SHAH - Chairman
JANAK P. SHAH - Vice Chairman

Ahmedabad
Date : 29-07-2010

SHAH FOODS LTD.

SCHEDULE 1.1

	2009-2010 (RUPEES)	2008-2009 (RUPEES)
SHARE CAPITAL		
AUTHORISED :		
1000000 EQUITY SHARES OF RS. 10/- EACH	<u>10,000,000</u>	<u>10,000,000</u>
ISSUED		
597500 EQUITY SHARES OF RS. 10/- EACH	<u>5,975,000</u>	<u>5,975,000</u>
SUBSCRIBED AND PAID UP :		
597500 EQUITY SHARES OF RS. 10/- EACH	5,975,000	5,975,000

SCHEDULE 1.2

RESERVES AND SURPLUS

PROFIT & LOSS A/C	4,350,443	2,708,094
GENERAL RESERVES	<u>1,834,256</u>	<u>1,534,256</u>
	<u>6,184,699</u>	<u>4,242,350</u>
	<u>6,184,699</u>	<u>4,242,350</u>

SCHEDULE 1.3

FIXED ASSETS

NAME OF ASSETS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 1-04-2009 RUPEES	ADDITIONS RUPEES	DEDUCTIONS RUPEES	AS AT 31-3-2010 RUPEES	AS AT 1-4-2009 RUPEES	ADDITION RUPEES	DEDUCTION RUPEES	AS AT 31-3-2010 RUPEES	AS AT 31-3-2010 RUPEES	AS AT 1-4-2009 RUPEES
COMPUTERS	558,194	59,750		617,944	431,622	29,975	-	461,597	156,346	126,572
FACTORY BUILDING	4,194,782			4,194,782	1,752,268	140,106	-	1,892,374	2,302,408	2,442,514
FURNITURE & FIXTURE	450,754		--	450,754	202,596	28,533	-	231,129	219,625	248,158
FREEHOLD LAND	208,914	--	--	208,914	--	--	--	--	208,914	208,914
OFFICE EQUIPMENT	141,985	7,750		149,735	33,599	6,810	-	40,409	109,326	108,386
NEW MOTOR	538,863	--		538,863	52,008	28,290		80,298	458,565	486,855
PLANT & MACHINARYS	4,106,034	149,495		4,255,529	1,127,661	431,930	-	1,559,592	2,695,937	2,978,373
TUBE WELL	126,091			126,091	82,822	4,211		87,033	39,058	43,269
TOTAL	10,325,617	216,995		10,542,612	3,682,576	669,856		4,352,432	6,190,180	6,643,041
PREVIOUS YEAR	10,204,357	121,280		10,325,617	3,025,651	656,926		3,682,576	6,643,041	7,178,706

ANNUAL REPORT 2009-2010

SCHEDULE 1.4

	2009-2010 (RUPEES)	2008-2009 (RUPEES)
CURRENT ASSETS		
INVENTORIES - AT COST		
RAW MATERIALS	53,075	53,075
STOCK IN TRADE OF SHARES (At cost or market rate whichever is lower)	3,527,689	1,423,394
	<u>3,580,764</u>	<u>1,476,469</u>
SUNDRY DEBTORS :		
BRITANIA INDUSTRIES LTD:	932,112	735,109
	<u>932,112</u>	<u>735,109</u>
CASH AND BANK BALANCE		
CASH ON HAND	14,036	3,709
BALANCE WITH BANK OF BARODA (FDOD A/C)	729,826	515,504
FIXED DEPOSIT WITH BANK OF BARODA.	838,086	801,239
FIXED DEPOSIT WITH HDFC BANK	1,000,000	1,000,000
BALANCE WITH HDFO BANK	270,360	151,848
	<u>2,852,308</u>	<u>2,472,300</u>
	<u>7,365,184</u>	<u>4,683,878</u>

SCHEDULE 1.5

ADVANCES AND RECEIVABLES

(UNSECURED, CONSIDERED GOOD UNLESS OTHERWISE STATED)

PREPAID EXPENSES	20,596	18,946
UNCLAIMED DIVIDEND BALANCE WITH HDFC BANK	154,000	-
NSC-LICENCEDEPOSIT	6,000	-
ADVANCES TO STAFF	200	3,000
TAX DEDUCTED AT SOURCE	677,589	753,030
GROUP GRATUITY & SUPERANNUATION A/C. WITH BOB	24,194	14,194
SABARMATI GAS LIMITED-DEPOSIT	1,210,950	1,210,950
INTEREST RECEIVABLE	15,840	16,520
	<u>2,109,369</u>	<u>2,016,640</u>

SHAH FOODS LTD.

SCHEDULE 1.6

	2009-2010 (RUPEES)	2008-2009 (RUPEES)
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS & OTHER PROVISIONS	1,497,356	1,430,809
TAX DEDUCTED AT SOURCES	2,240	9,885
PROVISION FOR TAXATION	1,034,068	860,000
UNCLAIMED DIVIDEND	154,000	
PROPOSED DIVIDEND	597,500	597,500
TAX ON DIVIDEND	92,314	101,546
	<u>3,377,477</u>	<u>2,999,740</u>

SCHEDULE 2.1

OTHER INCOME

DIVIDEND INCOME	102,589	81,003
COMMISSION	16,157	110,900
MISC. INCOME	-	56,667
SALES TAX REFUND ORDER	-	35,287
INTEREST ON IT REFUND ORDER	-	39,305
INTEREST FROM BANK	165,614	149,390
	<u>284,360</u>	<u>472,552</u>

SCHEDULE 2.2

PROFIT/(LOSS) FROM STOCKS TRADING

SALES	1,496,483	501,932	
ADD: CLOSING STOCK	<u>3,527,689</u>	<u>1,423,394</u>	
	5,024,172		1,925,326
LESS: OPENING STOCK	1,423,394	2,115,644	
PURCHASES & DEMAT CHARGES	<u>2,046,323</u>	<u>666,426</u>	
	<u>3,469,717</u>		<u>2,782,070</u>
PROFIT/(LOSS) DURING THE YEAR	<u>1,554,455</u>		<u>(856,743)</u>

SCHEDULE 2.3

INTEREST AND FINANCIAL CHARGES

INTEREST - BANK	5,190	39,190
INTEREST - OTHERS	695	1,184
BANK COMMISSION AND CHARGES	12,360	14,262
	<u>18,245</u>	<u>54,636</u>

ANNUAL REPORT 2009-2010

	2009-2010 (RUPEES)	2008-2009 (RUPEES)
SCHEDULE 2.4		
MANUFACTURING EXPENSES		
STORES & SPARES CONSUMED	44,882	68,530
POWER, LIGHT & FUEL	7,071,482	10,978,262
REPAIRS & MAINTENANCE TO PLANT & MACHINERY	341,737	367,569
REPAIRS & MAINTENANCE TO FACTORY BUILDING	246,617	61,475
REPAIRS & MAINTENANCE TO ELECTRICAL & OTHERS	104,771	79,549
LABOUR CHARGES	6,084,363	5,801,508
FACTORY EXPENSES	70,085	161,312
LABORATORY EXPENSES	20,964	3,420
	<u>13,984,900</u>	<u>17,521,625</u>
SCHEDULE 2.5		
EMPLOYEES' REMUNERATION & BENEFITS		
SALARIES WAGES & OTHER BENEFITS	1,766,987	1,772,346
DIRECTORS' REMUNERATION & OTHER BENEFITS	1,507,165	1,174,666
	<u>3,274,152</u>	<u>2,947,012</u>
SCHEDULE 2.6		
OFFICE AND ADMINISTRATIVE EXPENSES		
ADVERTISEMENT	21,604	18,430
AUDIT FEES	32,500	30,879
CONVEYANCE & TRAVELLING	10,731	10,986
ELECTRICITY	42,882	36,385
ROC, TDS & VAT FILING FEES	16,240	224
INSURANCE	26,032	22,609
LEGAL & PROFESSIONAL CHARGES	119,681	34,660
LICENSE & MARKING FEES	4,270	3,520
LISTING & DEPOSITORY FEES	24,366	20,174
MISCELLANEOUS EXPENSES	258,890	225,487
POSTAGE, TELEGRAM & TELEPHONES	91,803	101,761
PRINTING & STATIONERIES	44,670	39,377
PROFESSIONAL TAX	2,400	3,400
RENT, RATES & TAXES	11,249	11,659
SHARE TRANSFER AGENT CHARGES	40,424	28,090
VEHICLE EXPENSES	195,617	171,943
	<u>943,359</u>	<u>759,584</u>

SHAH FOODS LTD.

SCHEDULE 3

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2010

SIGNIFICANT ACCOUNTING POLICIES

(1) (A) **METHOD OF ACCOUNTING :**

Expenses are provided on mercantile system except cash system for Insurance Claims and Sales Tax Refund.

The Accounts have been prepared on historical cost basis of accounting. All expenses and income to the extent considered payable and receivable unless stated otherwise are accounted for on accrual basis. Accounting policies not specifically referred to are in consistent with generally accepted accounting practices.

(B) **FIXED ASSETS :**

Fixed Assets are stated at cost of acquisition or construction less depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised.

(C) **DEPRECIATION :**

Depreciation on Fixed Assets has been provided on straight line method as per rates specified in amended schedule XIV of the Companies Act, 1956 vide Notification No.GSR 758 (2) dated 16th December 1993 other than Freehold Land for full year.

(D) **INVENTORIES :**

Raw Materials, & Furnace Oil is valued at cost . Stock of shares of Trading activity is valued at cost or market value whichever is lower.

(E) **INVESTMENT :**

Quoted Investments are stated at cost.

(F) **GRATUITY :**

Payment for present liability of future payment of Gratuity is being made to approved Gratuity Funds which fully covers the same under cash accumulation scheme of the Life Insurance Corporation of India.

(2) Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with current year's figures.

(3) Provision of Rs. 10,34,068 for Income Tax and Rs. 1,088 for differed tax for F.Y. 2009-2010 has been made from current year profit on the basis of claims and deductions as per Income Tax Act 1961.

(4) RELATED PARTY DISCLOSURES UNDER ACCOUNTING STANDARD 18

● **RELATED PARTY**

- (A) Associate Companies
Plaskon Private Limited.
Ind Asia Fund Advisors Pvt. Ltd.
- (B) Vice Chairman : Shri. Janak P. Shah
- (C) Directors Shri. Pradip P. Shah
Shri Sushil P. Shah
Shri Virendra P. Shah
Shri Shrichand R. Kahar
Shri Nirav J. Shah

● **RELATED PARTY TRANSACTIONS**

- (A) Associate Companies - Nil
- (B) Directors - Nil

- Details of remuneration to Vice Chairman & Director-Operations are Disclosed in the notes to accounts.
- There are no write offs/write back of any amounts for any of the above - related party.

(5) In accordance with Accounting Standard - 22 Accounting for tax on Income, the Company has considered deferred taxes as under.

- Total differed tax liability on account of timing.
- | | |
|---|--------------|
| Difference of deperciation as on 31-03-2010 | Rs.20,30,930 |
| Tax rate | Rs. 30.9% |
| Deferred Tax Liability | Rs. 6,27,557 |

(6) I Payments to Auditors :

	2009-2010	2008-2009
	(Rupees)	(Rupees)
For Audit Fees	18,645	17,500
For Tax Audit Fees	8,000	7,500
For Certification	3,000	2,500
For Service Tax on Fees	3,035	3,399
Total	32,500	30,899

II Payments / Provision to Directors :

(Remuneration & Perquisites)		
Shri Janak P. Shah	7,79,583	7,29,899
Shri S. R. Kahar	3,19,984	3,01,378
Shri Nirav J. Shah	4,22,593	1,43,389
Total	15,22,160	11,74,686

(7) Expenditure incurred on employees covered u/s 217(2A) of the Companies Act, 1956- Rs. NIL
(Previous year Rs. NIL)

(8) During the year under review, Britannia Industries Ltd. deducted TDS on Job-work receipts on job charges including excise duty and hence TDS rate & job charges are not comparable.

SHAH FOODS LTD.

- (9) Balance confirmations for debit/credit balances have been sought.
 (10) Additional information pursuant to para III and IV of part II of schedule VI of Companies Act, 1956 to the extent applicable, (As certified by the Directors)

(A) **Installed Capacity :**

Biscuits 9,000 M.T.

(B) **Production :**

	2009-2010	2008-2009
Biscuits (Job) M. T.	4,659	4,925

(C) **Job Charges**

Rs. 20,398,194	2,41,69,566
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- (D) Value of Imported and indigenous raw materials (including components) consumed and their percentage :

	2009-2010		2008-2009	
	Rs. (Lacs)	%	Rs. (Lacs)	%
Stores & Spares				
Imported	-	-	-	-
Indigenous	0.45	100	0.68	100
(E) Regarding Trading activities.				
	Qty.	Value Rs.	Qty.	Value Rs.
Opening Stock	20,400	14,23,394	17,500	21,15,644
Purchase	16,845	20,46,483	3,500	6,66,426
Sales	6,845	14,96,483	600	5,01,932
Closing Stock	30,400	35,27,689	20,400	14,23,394

- (11) Expenditure in foreign currency during the year on account of royalty, know-how, professional consultancy fees, interest and other matters Rs. NIL. (Previous year Rs. Nil).
 (12) C.I.F. Value of imports of raw materials, components and spares Rs. NIL. (Previous year Rs. NIL)
 (13) Earning in foreign exchange on account of export etc. Rs. NIL
 (14) Remittance in foreign currency on account of dividend etc. Rs. NIL. (Previous year NIL)
 (15) In the opinion of Board of Directors, the current assets, loans & advances are approximately of the same value, if realised in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Signatures to Schedules 1.1 to 1.7 & 2.1 to 2.6 & 3

By Order of the Board

Pradip P. Shah Chairman
Janak P. Shah Vice Chairman

Ahmedabad
 Date : 29-07-2010

For Dinesh R. Shah & Co.
 Chartered Accountants

(Hiren D. Shah)
 (Membership No. 47928)
 Partner

Ahmedabad
 Date : 29-07-2010

ANNUAL REPORT 2009-2010

CASH FLOW STATEMENT FOR THE YEAR MARCH 31, 2010

	2009-2010 (RUPEES)	2008-2009 (RUPEES)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	3,346,497	1,845,592
ADJUSTMENTS:		
DEPRECIATION	669,856	656,926
INTEREST & BANK COMMISSION PAID	18,245	54,636
OTHER NON-OPERATING INCOME	(284,360)	(472,552)
PROVISION FOR TAXATION	(805,559)	(882,652)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	2,944,679	1,201,950
ADJUSTMENTS:		
RECOVERABLES	(197,003)	(725,607)
LOANS & ADVANCES	(92,729)	(1,027,985)
INVENTORIES	(2,104,295)	1,079,094
PAYABLES	377,737	682,806
	928,389	1,210,257
INTEREST PAID	18,245	54,636
	910,144	1,155,622
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(216,995)	(121,260)
SALE OF FIXED ASSETS	--	--
INTEREST RECEIVED	165,614	188,695
COMMISSION RECEIVED	16,157	167,567
INVEST IN HSBC M.F.	--	--
SALES TAX REFUND	--	35,287
DIVIDEND RECEIVED	102,589	81,003
	67,365	351,292
C. CASH FLOW FROM FINANCING ACTIVITIES		
DIVIDEND PAID	(597,500)	(597,500)
	(597,500)	(597,500)
NET INCREASE/DECREASE IN CASH/CASH EQUIVALENT	380,008	909,414
CASH/CASH EQUIVALENT OPENING BALANCE	2,472,300	1,562,886
CASH/CASH EQUIVALENT CLOSING BALANCE	2,582,308	2,472,300
	(380,008)	(909,413)

Date : 29-07-2010
Ahmedabad

By Order of the Board
PRADIP P. SHAH - Chairman
JANAK P. SHAH - Vice Chairman

To The Board of Directors
SHAH FOODS LIMITED, Ahmedabad.

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of SHAH FOODS LIMITED for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with requirements of Clause 32 of the Listing Agreement with the Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of Company covered by our report of even dated to the Company.

Date : 29-07-2010
AHMEDABAD

For, **DINESH R. SHAH & CO.**
Hiren D. Shah
Partner

SHAH FOODS LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

REGISTRATION NO. :	5071	STATE CODE :	04
BALANCE SHEET DATE :	31-03-2010		

2. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

PUBLIC :	NIL	RIGHT ISSUE :	NIL
BONUS ISSUE :	NIL		

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

TOTAL LIABILITIES :	12787	TOTAL ASSETS :	12787
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SOURCES OF FUNDS

PAID-UP CAPITAL :	5975	RESERVES AND SURPLUS :	6185
SECURED LOANS :	NIL	DEFERRED TAX LIABILITY	0627

APPLICATION OF FUNDS

NET FIXED ASSETS :	6190	INVESTMENTS :	0500
NET CURRENT ASSETS :	6097	MISC. EXPENDITURE :	NIL
ACCUMULATED LOSSES :	NIL		

4. PERFORMANCE OF COMPANY (Amount in Rs. Thousand)

TURNOVER :	22237	TOTAL EXPENDITURE :	18891
PROFIT/(LOSS) BEFORE TAX :	3346	PROFIT/(LOSS) BEFORE TAX :	3346
EARNING PER SHARE IN RS. :	4405		

5. GENERIC NAMES OF THREE PRINCIPAL PRODUCT/SERVICES OF COMPANY

(As per monetary terms)

ITEM CODE NO. (ITC CODE) :	190530.03
PRODUCT DESCRIPTION :	BISCUITS

ATTENDANCE SLIP

SHAH FOODS LIMITED

Regd. Office : Kalol-Mehsana Highway, Post : Chhatral
Taluka Kalol, NORTH GUJARAT - 382 729

ANNUAL GENERAL MEETING

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.
I/We hereby record my/our presence at the ANNUAL GENERAL MEETING held at Kalol-Mehsana Highway,
Post : Chhatral, Taluka Kalol, North Gujarat - 382 729 on Saturday, September 18, 2010 at 11.00 a.m.

.....
Name/s of the Shareholder/s or Proxy

.....
Regd. Folio No./ ID No.

.....
Signature/s of the Shareholder/s or Proxy

..... T E A R
HERE.....

SHAH FOODS LIMITED

Regd. Office : Kalol-Mehsana Highway, Post : Chhatral
Taluka Kalol, NORTH GUJARAT - 382 729

I/We.....

of.....

being a member/members of SHAH FOODS LIMITED hereby appoint

.....

of..... or failing him.....

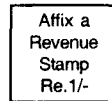
..... or failing him.....

..... as my/our proxy in my/our absense

to attend and vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held
on Saturday, September 18, 2010 and at any adjournment thereof.

Signed this..... day of..... 2010.

Signature.....



.....
Regd. Folio No./ ID No.

Note : The Proxy must be deposited at the Registered Office of the Company at Kalol-Mehsana Highway,
Post : Chhatral, Taluka Kalol, North Gujarat - 382 729 not less than 48 hours before the time fixed
for holding the meeting.

BOOK-POST

If undelivered please return to

SHAH FOODS LIMITED

Corporate Office :

"SARAYU"

16/1, Kalyan Society,

Mithakhali, Ellisbridge,

AHMEDABAD-380 006